



# Department of Justice

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THURSDAY, JULY 31, 2008  
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## **BENNETT ENVIRONMENTAL INC. PLEADS GUILTY TO DEFRAUDING THE U.S. ENVIRONMENTAL PROTECTION AGENCY**

### ***Company Agrees to Pay \$1 Million Criminal Fine***

WASHINGTON — Bennett Environmental Inc. (BEI), a Canada-based company that treats and disposes of contaminated soils, pleaded guilty today and has agreed to pay a \$1 million criminal fine for participating in a conspiracy to defraud the U.S. Environmental Protection Agency (EPA) at a New Jersey Superfund site, the Department of Justice announced. The plea agreement, filed today in U.S. District Court in New Jersey, involves the EPA-designated Superfund site, Federal Creosote, which is located in Manville, N.J.

Along with the \$1 million criminal fine, the Department will recommend to the court that Oakville, Ontario-based BEI and its co-conspirators pay a total of \$1.66 million in restitution. The cleanup at the Federal Creosote site is partly funded by the EPA. Under an interagency agreement between the EPA and the Army Corps of Engineers, prime contractors oversaw the removal, treatment and disposal of contaminated soil at the Federal Creosote site.

BEI pleaded guilty today to one count of conspiracy to defraud the EPA at the Federal Creosote site by inflating the prices it charged to a prime contractor of the EPA and paying kickbacks to employees of that prime contractor from approximately May 2002 until approximately the spring of 2004. According to the charge, BEI, through its agents and co-conspirators, frustrated the competitive bid process and defrauded the EPA at the Federal Creosote site. BEI was given confidential bid information and then inflated invoices to cover approximately \$1.3 million in kickbacks to employees of the prime contractor in exchange for their assistance in steering sub-contracts to BEI. The kickbacks were in the form of money wire transfers to a co-conspirator's shell company, cruises for senior officials of the prime contractor, various entertainment tickets, and home entertainment electronics. As part of the fraudulent scheme, BEI and its co-conspirators also included amounts it kept for itself in the inflated invoices.

"The Department of Justice will continue to hold accountable companies and individuals who engage in schemes to subvert the competitive process, particularly where American taxpayer dollars are involved," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division.

As part of the same investigation, on July 23, 2008, JMJ Environmental Inc., a Laurel Springs, N.J., wastewater treatment supply company, its owner John Drimak Jr., and Norman Stoerr, a former contracts administrator, pleaded guilty to bid rigging, fraud and tax charges in connection with sub-contracts for wastewater treatment supplies and services at two Superfund

sites in New Jersey-Federal Creosote and Diamond Alkali in Newark, N.J. Sentencing is scheduled for Nov. 3, 2008.

BEI is charged with conspiring to commit fraud which carries a maximum penalty of a \$500,000 fine. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine. An order of restitution is also mandatory.

Today's charges reflect the Department's commitment to protecting U.S. taxpayers from procurement fraud through its creation of the National Procurement Fraud Task Force. The National Procurement Fraud Initiative, announced in October 2006, is designed to promote the early detection, prosecution, and prevention of procurement fraud associated with the increase in contracting activity for national security and other government programs.

The ongoing investigation is being conducted by the Antitrust Division's New York Field Office, the EPA Office of Inspector General and the Internal Revenue Service Criminal Investigation. Anyone with information concerning bid rigging, kickbacks, tax offenses, or fraud relating to sub-contracts awarded at the Federal Creosote site should contact the Antitrust Division's New York Field Office at 212-264-9308.

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